Health Reform Implementation Council

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My name is Gail Ripka, and I am the President of the Illinois HomeCare & Hospice Council, the nation's first home care association. IHHC represents Illinois' home health agencies, hospices, home services agencies and home nursing agencies. All provide critical health care and supportive social services to Illinois residents in their homes. Our members are hospital based, free-standing not-for-profit, national chains, community-owned for-profit and county health department-based agencies like my own serving Henry and Stark Counties.

Medicaid Program Expansion

IHHC members are the recipients of the vast majority of Illinois Medicaid dollars spent on home health and hospice services. Currently, the populations served include children with complex medical needs, adults needing post-hospital care and rehabilitation services, and individuals of all ages with chronic health conditions. When the Affordable Care Act provisions eliminating the current Medicaid eligibility categories take effect in 2014, the adult population eligible for Medicaid home health and hospice services will expand considerably. But, there are real reasons to question whether there will be enough capacity among Medicaid enrolled home health agencies to meet this burgeoning need.

Though the list of home health agencies enrolled to provide services in Illinois' Medicaid program is long, the list of agencies that actually carry the load for the program is much

shorter. Many agencies provide some Medicaid services, but are unable to provide more because of the substandard rates paid to Illinois Medicaid providers.

Illinois home health agencies provide skilled nursing; physical, occupational and speech therapy, and home health aide services under the Medicaid program. Illinois' Medicaid program pays the agencies $61.34 per visit, regardless of the type of professional providing the service or the duration of the visit. Illinois' home health agencies have not received a Medicaid rate increase in the past 10 years, not even for cost of living. Illinois' Medicaid rates for home health services cover less than half of the agencies' costs and place Illinois far below those paid by other states in the Midwest region and in other large population states.

Illinois needs a healthy and motivated population of home health providers to serve the new recipients who will join its Medicaid program in 2014. In planning for the future, Illinois must improve its payment rates for Medicaid home health services if it plans to provide a full range of services to the full population of beneficiaries who will be eligible for services in 2014.

The management of chronic illness is the single biggest consumer of health care resources in today's American health care market. It is anticipated that many of the adults that will be joining Medicaid in 2014 will already be suffering from at least one chronic illness and, as their lives progress, will develop others. The home health community has the experience Illinois' Medicaid program needs to help develop a continuum of care that includes a community-based long-term care service system.

Home health services are a cost effective alternative to institutional care and a critical component of community-based long term care. A home health visit by a registered nurse or a licensed therapist costs approximately $150.00 compared to hospital costs of $1,500.00 per day and nursing facility costs of approximately $210.00 per day. Home health agencies provide high quality services that are personalized and keep patients where they most want to be: at home. They contribute positively to family stability and quality of life for both the patient and their loved ones. Patient satisfaction rates are consistently high for home health services.

Continuity of Care for Beneficiaries Moving Between Medicaid and Private Insurance

IHHC members believe that the State should require that both the Medicaid and private insurance plans offered under the Health Insurance Exchange offer a broad range of community-based care, and that preferred providers or managed care company contractors selected by the private plans must also be enrolled in Medicaid. In this way, beneficiaries can be assured that they will have access to the service providers with whom they have a history regardless of whether they are enrolled in Medicaid or have coverage through the Exchange.

Care Management Models

Chronic care management is a critical component of both health care quality and cost controls, whether it is asthma in children, diabetes or hypertension in adults, or arthritis or congestive heart failure in the elderly. The difficulty is how to balance the all of the competing needs and values that are involved in designing a workable approach to care

management. IHHC believes strongly that one size does not fit all, and that varying approaches to care management must be available to meet the needs of different patients, different communities, and different health care and social service systems.

It is IHHC's hope that in working toward developing successful care management models, the State will recognize the need for flexibility and variety and will encourage the development of local solutions that adhere to a small number of critical values. These values would include comprehensiveness, prevention, least-restrictive environment, effective transitions from one service-delivery setting to another, achievement of improved outcomes, enhancement of beneficiary knowledge, and beneficiary self-determination.

IHHC has worked closely in recent years with providers and other personnel associated with the Illinois Department on Aging's Community Care Program to promote the better integration of the health care and social service systems in the management of care for vulnerable community-dwelling elderly citizens. This work has demonstrated amply that neither the health care system nor the social service system alone can meet the needs of individuals with chronic illnesses. The same is true of institutional and community services. But together, the systems can help individuals to achieve better health status and better quality of life.

Home and Community-Based Services

In order to end up with a flexible and responsive health care and social service system, Illinois must re-evaluate the current regulatory and payment structure that under-pins its

investment in institutional care, and re-orient the system towards the community. Availability of high quality institutional settings is a critical component of the service system, but the institutional component cannot achieve quality and efficiency goals without equally well developed community care components.

IHHC believes that the community should be the primary location for the delivery of services to senior citizens and persons with special needs, and that the delivery of care in beneficiary's homes is a critical component of this approach. Home is where the beneficiary manages his day to day life, regardless of whether his home is a private house or a congregate living location of some kind. It is critical for the health care system to be able to translate what the patient needs to do to care for him or herself into the home setting, a reality that is vastly different from the institutional world. Until we are able to make these translations, the system will continue to experience the recidivism that currently occurs and is so expensive for payors and so detrimental to patient quality of life and outcomes.

Thank you for this opportunity to share our perspective. IHHC is ready to participate in further planning for the implementation of the Affordable Care Act in Illinois.